

Manager of Company Announcements
ASX Limited
Level 5, Riverside Centre
123 Eagle Street
Brisbane QLD 4000

1st May 2009

Dear Sirs,

Amendment to Quarterly Activities Report for the period 1st January 2009 to 31st March 2009

Attached is the amended Company's Quarterly Activities Report for the period 1st January 2009 to 31st March 2009.

This report is being amended due to typographical errors in tables PUH001 and PUC001, which affect the comparisons made to the other samples within the report; and the final conclusions.

The Competent Person Statement wrongly referred to *Exploration Results* only and is hereby amended to include "*and Mineral Resources*" as well.

This report replaces the Quarterly Activities Report lodged by the Company on 30 April 2009 in its entirety.

Yours faithfully,
South American Iron & Steel Corporation



Franco Belli
Managing Director

QUARTERLY ACTIVITIES REPORT

Report for the period 1st January 2009 to 31st March 2009

Activities for the Quarter

Highlights

- **The Conditional Funding Agreement with Astron provided financial assistance at a crucial stage and brought in Astron's extensive mineral sands experience.**
- **Results from reconnaissance sampling at Katy Prospect, Putú concession area, Chile are varied but include unexpectedly high metal contents.**
- **The SAIS Chairman/MD visited Ecuador to seek clarification relating to onshore concessions that have been revoked, and the procedures for lease applications under the recently enacted New Mining Law.**

Corporate

The conditional funding agreement with Astron (ATR) announced on 13th February 2009 involved an initial placement which raised \$774,500. SAIS entered into a confidentiality agreement with Astron to enable Astron to conduct due diligence, which was still in progress at the end of the quarter.

Chile

Putú concession area, Katy and Trinchera Prospects

Results from the geological reconnaissance and sampling programme at Katy prospect (Figure 1) with lighter sampling of Trinchera, first announced in the September 2008 Quarterly Report, are provided below. Samples had been collected from road cuts and natural exposures along the eroded flanks, supplemented by shallow drilling, and provide an initial indication of the composition of these thick sand bodies.

The focus was on Katy, which remains poorly explored because of its irregular topography and complex geology compared to Trinchera, which is accessible and more uniform. These results at Katy are intended to provide a guide for selection and drilling of the more highly ranked areas to depths of up to 60-100 metres.

Metal contents of the samples analysed are consistent with the geological model of wind transport during several episodes of low sea level corresponding to Pleistocene glacial stages.

The oldest sands are the most weathered, and the weathering process has reduced the content of undesirable silicates, with a commensurate increase in clay and titaniferrous iron oxides.

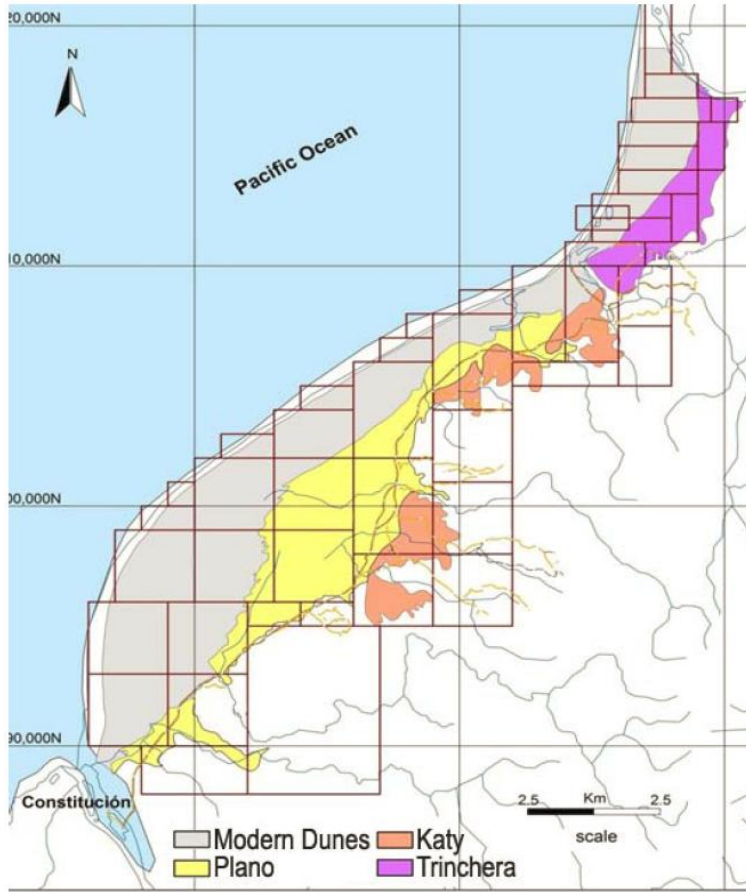


Fig. 1. Putú concessions showing Katy and Trincherá prospect areas.

The iron sands at Katy and Trincherá are thick, exceeding 100 metres over large areas, and are therefore not suited to power augering (10-15 metres depth) such as was carried out on the shallower Plano deposits, as announced in the December 2008 Quarterly Report.

Drilling to metamorphic basement, or to a basal marine conglomerate, is planned for Katy as well as Trincherá once the upgrading of concessions to exploitation status is complete and negotiations with landowners are concluded.

Sampling locations are indicated on Figure 2, and in greater detail in Figure 3 for the most important locations.

A distinction was made in the September 2008 Quarterly Report between “Younger Paleodune Sands” and “Older Paleodune Sands”. As expected, the results reported herein confirm the compositional differences between these two sand types, with the older deposits recording the highest metal grades.

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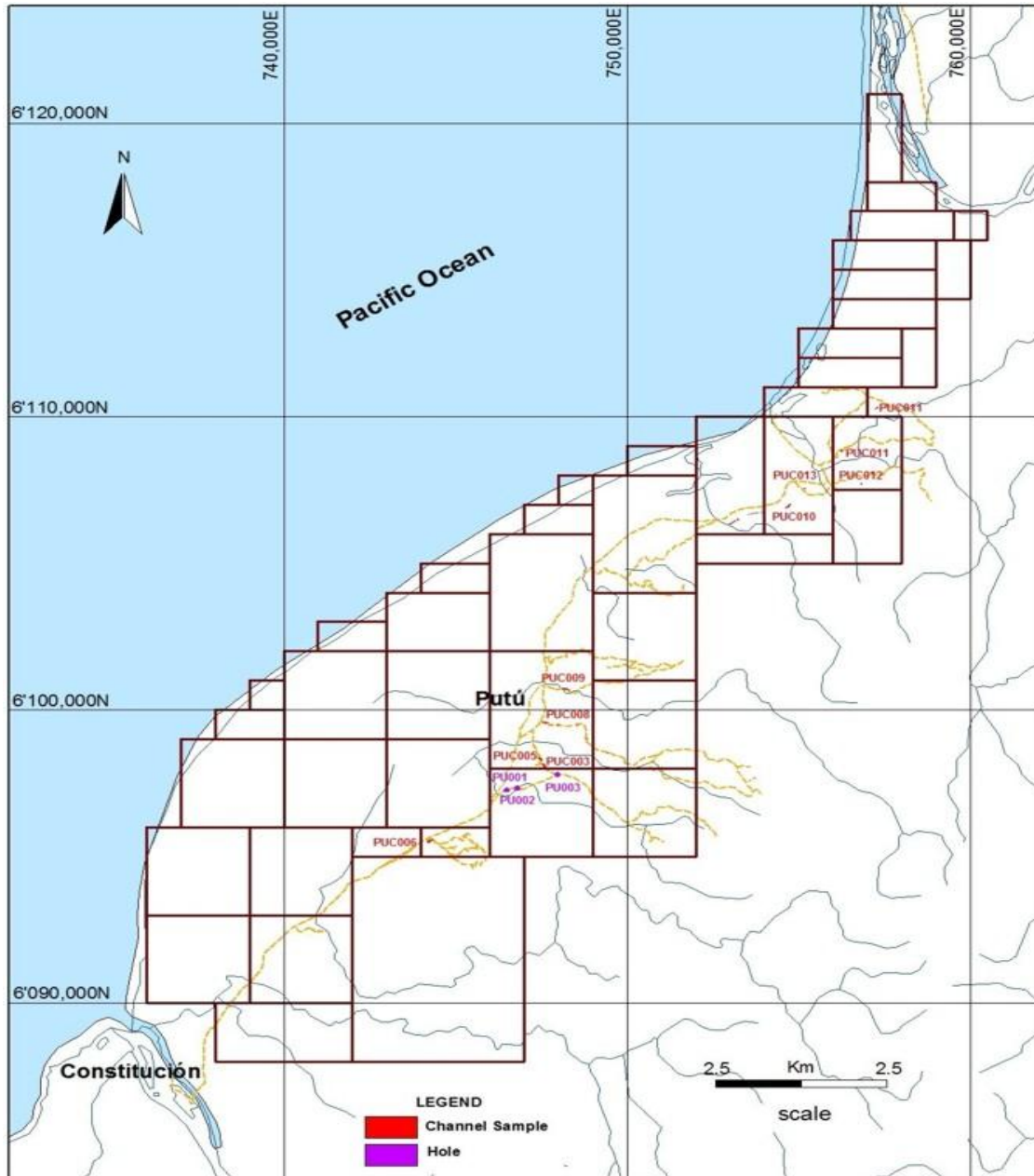


Fig. 2. Sampling locations in Katy and Trinchera prospect areas.

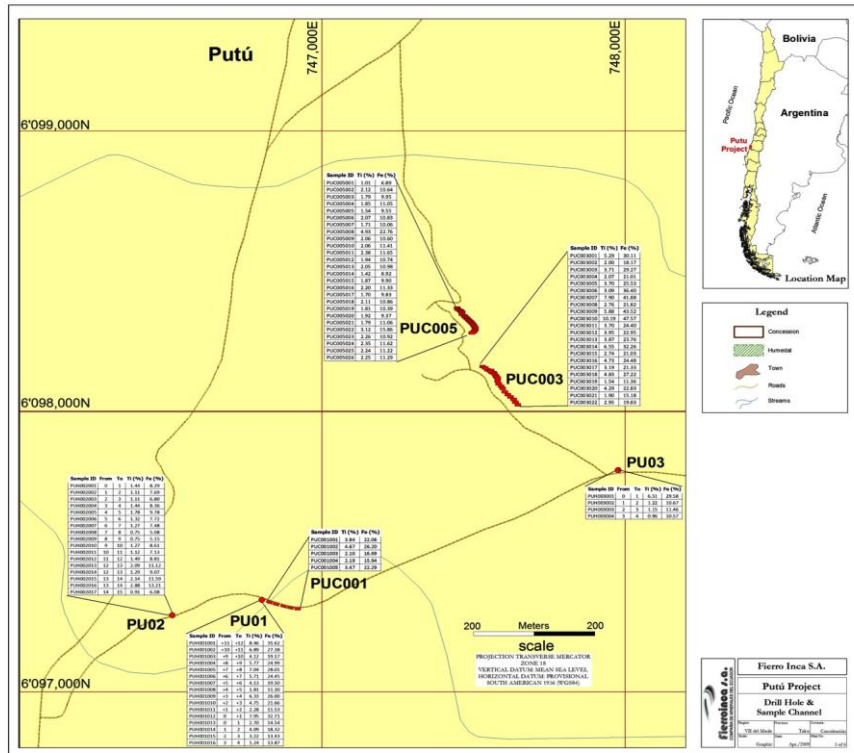


Fig. 3. More detailed Katy prospect sampling locations.

Analyses

- PUH001, Carrizal Road.** A combination of auger drilling and channel sampling from a fresh outcrop provided 16 samples from 1-metre intervals. With the appearance of strong mineral banding, analysis indicated overall high grades.

SAMPLE	Ti		Fe	
	ppm	%	ppm	%
PUH001001	84602	0.84602	356167	35.6167
PUH001002	68854	0.68854	273755	27.3755
PUH001003	41179	0.41179	191683	19.1683
PUH001004	57674	0.57674	249904	24.9904
PUH001005	70441	0.70441	280116	28.0116
PUH001006	57126	0.57126	244493	24.4493
PUH001007	41302	0.41302	195026	19.5026
PUH001008	18125	0.18125	112984	11.2984
PUH001009	63327	0.63327	260026	26.0026
PUH001010	47451	0.47451	216554	21.6554
PUH001011	22799	0.22799	115314	11.5314
PUH001012	79488	0.79488	327149	32.7149
PUH001013	27019	0.27019	145370	14.537

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PUH001014	40944	0.40944	183212	18.3212
PUH001015	32220	0.3222	134263	13.4263
PUH001016	12445	0.12445	138740	13.874
Mean		0.48%		21.4%

2. **PUH002, lower Carrizal Road.** Drilling in Younger Paleodune Sand commencing 22 metres above sea level near the base of the Katy Prospect ridge provided a total of 17 samples at metre intervals. Metal contents (1.4% Ti and 8.3% Fe) are lower than at PUH001.

It is possible that these higher grades are a product of wind sorting of the heavier grains on the ridge above the old shoreline..

SAMPLE	Ti		Fe	
	ppm	%	ppm	%
PUH002001	14370	1.437	82943	8.2943
PUH002002	11081	1.1081	76915	7.6915
PUH002003	11119	1.1119	67971	6.7971
PUH002004	14429	1.4429	83591	8.3591
PUH002005	17755	1.7755	97794	9.7794
PUH002006	13227	1.3227	77240	7.724
PUH002007	12685	1.2685	74832	7.4832
PUH002008	7487	0.7487	50798	5.0798
PUH002009	7454	0.7454	51530	5.153
PUH002010	12691	1.2691	86106	8.6106
PUH002011	11200	1.12	71336	7.1336
PUH002012	14851	1.4851	88066	8.8066
PUH002013	20902	2.0902	111205	11.1205
PUH002014	12915	1.2915	90731	9.0731
PUH002015	21391	2.1391	115909	11.5909
PUH002016	28840	2.884	132101	13.2101
PUH002017	9077	0.9077	60782	6.0782
Mean		1.42%		8.35%

3. **PUH003, upper Carrizal Road.** A shallow auger hole in the roadside was unable to penetrate deeper than 4 metres because of the highly compacted nature of these clayey Older Paleodune Sands. Although no distinct concentrations of black oxide grains were visible, the analyses showed between 10% and almost 30% Fe, with an average of 15.5%. The Ti values are correspondingly higher as well.

SAMPLE	Ti		Fe	
	PPM	%	PPM	%
PUH003001	65078	6.5078	295840	29.584
PUH003002	12247	1.2247	106676	10.6676
PUH003003	11513	1.1513	114613	11.4613

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PUH003004	9640	0.964	105740	10.574
Mean		2.46%		15.57%

4. **PUC001.** Adjoining PUH001 across a sharp erosional contact, these channel samples were taken from older, more consolidated sands with prominent volcanic ash bands. These volcanic-rich sands have not been seen elsewhere at Katy, and like other Older Paleodune Sands, contain generally high metal values.

SAMPLE	Ti		Fe	
	ppm	%	ppm	%
PUC001001	39405	0.39405	220619	22.0619
PUC001002	46689	0.46689	262045	26.2045
PUC001003	20967	0.20967	166902	16.6902
PUC001004	21930	0.2193	159394	15.9394
PUC001005	34693	0.34693	222889	22.2889
Mean		0.33%		20.63%

5. **PUC003. Coyanco hillside.** Channel samples totalling 22 were taken from an eroded pathway providing continuous exposure up the hillside through a vertical thickness of 44 metres.

This red-brown sand is very weathered and cohesive. Metal values shown below are exceptionally high, with Fe ranging from 11 to 47% and averaging 26.45%. Ti ranges from 1.8% to over 10%, with an average of 4.13%. Surficial enrichment probably contributes in part to these high levels of Fe and Ti.

SAMPLE	Ti		Fe	
	PPM	%	PPM	%
PUC003001	52906	5.2906	301050	30.105
PUC003002	19968	1.9968	181710	18.171
PUC003003	37062	3.7062	292711	29.2711
PUC003004	20749	2.0749	210059	21.0059
PUC003005	36961	3.6961	255275	25.5275
PUC003006	30906	3.0906	364031	36.4031
PUC003007	79038	7.9038	418768	41.8768
PUC003008	27641	2.7641	218216	21.8216
PUC003009	58788	5.8788	435171	43.5171
PUC003010	101907	10.1907	475721	47.5721

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PUC003011	36970	3.697	244022	24.4022
PUC003012	39504	3.9504	229535	22.9535
PUC003013	38746	3.8746	237617	23.7617
PUC003014	65483	6.5483	322600	32.26
PUC003015	27389	2.7389	210346	21.0346
PUC003016	47258	4.7258	244827	24.4827
PUC003017	31907	3.1907	213303	21.3303
PUC003018	48299	4.8299	272160	27.216
PUC003019	15446	1.5446	113557	11.3557
PUC003020	42921	4.2921	228250	22.825
PUC003021	18971	1.8971	151759	15.1759
PUC003022	29516	2.9516	198264	19.8264
Mean		4.13%		26.45%

6. **PUC005.** Coyanco Track leads to the base of the hill below the PUC003 site, where a mound of Younger Paleodune Sand is banked up against the older sands. This contact was illustrated in the September 2008 Quarterly Report. The younger sands were sampled at 26 channel sites through a vertical thickness of 52 metres. Metal values were consistently high for these Younger Paleodune Sands, with Fe averaging 11.14% (6-22% range) and Ti averaging 2.1%.

SAMPLE	Ti		Fe	
	PPM	%	PPM	%
PUC005001	10053	1.0053	68922	6.8922
PUC005002	21243	2.1243	106407	10.6407
PUC005004	17888	1.7888	99450	9.945
PUC005003	18545	1.8545	110536	11.0536
PUC005005	15423	1.5423	95540	9.554
PUC005006	20695	2.0695	108310	10.831
PUC005007	17057	1.7057	100573	10.0573
PUC005008	49333	4.9333	227592	22.7592
PUC005009	20630	2.063	105987	10.5987
PUC005010	20630	2.063	114131	11.4131
PUC005011	23805	2.3805	116460	11.646
PUC005012	19398	1.9398	107371	10.7371
PUC005013	20488	2.0488	109849	10.9849
PUC005014	14201	1.4201	89238	8.9238
PUC005015	18687	1.8687	98979	9.8979
PUC005016	21953	2.1953	113287	11.3287
PUC005016	17006	1.7006	98303	9.8303
PUC005018	21098	2.1098	108632	10.8632
PUC005019	18057	1.8057	103853	10.3853

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PUC005020	19249	1.9249	93746	9.3746
PUC005021	17850	1.785	110580	11.058
PUC005022	31221	3.1221	158629	15.8629
PUC005023	22569	2.2569	109219	10.9219
PUC005024	23512	2.3512	116226	11.6226
PUC005025	22434	2.2434	112150	11.215
PUC005026	22473	2.2473	112928	11.2928
Mean		2.10%		11.14%

7. PUC006. Dolimo Road. Resting on an outcrop of metamorphic basement at the base of the hill is another example of mounded Younger Paleodune Sands along the seaward flank. As in the previous examples, metal values are high for both Fe and Ti, and are very similar to other sands of comparable geological origin, for example PUC005.

These sands may have formed a more or less persistent belt of “blowout” dune sands similar to those forming on a smaller scale at the present day in the Putú area.

SAMPLE	Ti		Fe	
	PPM	%	PPM	%
PUC006001	29293	2.9293	167695	16.7695
PUC006002	27945	2.7945	132873	13.2873
PUC006003	29459	2.9459	157692	15.7692
PUC006004	40836	4.0836	197391	19.7391
PUC006005	22282	2.2282	133694	13.3694
PUC006006	17391	1.7391	99252	9.9252
PUC006007	12677	1.2677	74514	7.4514
PUC006008	29398	2.9398	159086	15.9086
PUC006009	33674	3.3674	168922	16.8922
PUC006010	33593	3.3593	163091	16.3091
PUC006011	27330	2.733	137111	13.7111
PUC006012	27977	2.7977	144691	14.4691
PUC006013	29832	2.9832	137356	13.7356
PUC006014	11936	1.1936	67016	6.7016
PUC006015	10120	1.012	72785	7.2785
PUC006016	14117	1.4117	77214	7.7214
PUC006017	35734	3.5734	165505	16.5505
PUC006018	14354	1.4354	90832	9.0832
PUC006019	19123	1.9123	100352	10.0352
Mean		2.46%		12.88%

8. PUC008. Valdivia Road. This lowermost 26 metres is similar in shape to Dolimo Road and other Younger Paleodune “blowout” sands. These are banked up against Older Paleodune

Sands that are approximately 150 metres thick but poorly exposed over much of the section. Samples were widely spaced as a result.

Despite the differing appearance of the older and younger sands, their metal contents show no significant difference.

SAMPLE	Ti		Fe	
	PPM	%	PPM	%
PUC008001	10414	1.0414	62278	6.2278
PUC008002	39675	3.9675	193377	19.3377
PUC008003	12607	1.2607	79067	7.9067
PUC008004	10707	1.0707	88410	8.841
PUC008005	11180	1.118	75802	7.5802
PUC008006	13532	1.3532	70018	7.0018
PUC008007	19546	1.9546	117501	11.7501
PUC008008	15613	1.5613	138795	13.8795
PUC008009	18464	1.8464	161417	16.1417
PUC008010	3573	0.3573	35329	3.5329
PUC008011	11210	1.121	104947	10.4947
PUC008012	21171	2.1171	132131	13.2131
PUC008013	27033	2.7033	176711	17.6711
PUC008014	7990	0.799	87271	8.7271
PUC008015	20489	2.0489	170123	17.0123
PUC008016	8694	0.8694	71027	7.1027
PUC008017	22948	2.2948	143895	14.3895
Mean		1.62%		11.22%

9. PUC009. Coipue Road. These deposits are unusually coarse and include gravel bands. Metal values are moderately high, with some very good readings, e.g. 20% Fe and 2.8% Ti.

SAMPLE	Ti		Fe	
	PPM	%	PPM	%
PUC009001	3771	0.3771	30942	3.0942
PUC009002	4794	0.4794	44346	4.4346
PUC009003	5989	0.5989	40875	4.0875
PUC009004	5800	0.58	42283	4.2283
PUC009005	28453	2.8453	200251	20.0251
PUC009006	9646	0.9646	110997	11.0997
PUC009007	8029	0.8029	104049	10.4049
PUC009008	13477	1.3477	130618	13.0618
PUC009009	9459	0.9459	70748	7.0748
Mean		0.99%		8.61%

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10. PUC010. Capellanía. An extensive road cut through Older Paleodune Sands permitted 22 samples to be taken through a thickness of 90 metres, giving an average for Fe and Ti of 11.6% and 1.5% respectively.

SAMPLE	Ti		Fe	
	PPM	%	PPM	%
PUC010001	20391	2.0391	168435	16.8435
PUC010002	20606	2.0606	150891	15.0891
PUC010003	20070	2.007	145801	14.5801
PUC010004	19193	1.9193	153555	15.3555
PUC010005	18131	1.8131	143636	14.3636
PUC010006	18039	1.8039	134233	13.4233
PUC010007	15757	1.5757	132753	13.2753
PUC010008	17007	1.7007	103626	10.3626
PUC010009	12678	1.2678	114914	11.4914
PUC010010	24099	2.4099	140198	14.0198
PUC010011	46766	4.6766	232974	23.2974
PUC010012	10228	1.0228	71576	7.1576
PUC010013	8223	0.8223	78931	7.8931
PUC010014	9471	0.9471	85262	8.5262
PUC010015	10106	1.0106	89114	8.9114
PUC010016	13991	1.3991	111193	11.1193
PUC010017	7907	0.7907	74885	7.4885
PUC010018	11495	1.1495	107781	10.7781
PUC010019	14428	1.4428	115449	11.5449
PUC010020	10100	1.01	77469	7.7469
PUC010021	4693	0.4693	46396	4.6396
PUC010022	9997	0.9997	77539	7.7539
Mean		1.56%		11.62%

11. PUC011. Northern Capellanía. Geologically continuous with PUC010 these samples returned slightly higher metal values.

SAMPLE	Ti		Fe	
	PPM	%	PPM	%
PUC011001	15840	1.584	103664	10.3664
PUC011002	25493	2.5493	171013	17.1013
PUC011003	24767	2.4767	167328	16.7328
PUC011004	15619	1.5619	137148	13.7148
PUC011005	19665	1.9665	143446	14.3446
PUC011006	18527	1.8527	142200	14.22
Mean		2.00%		14.41%

12. PUC012-PUC013. Chanquique Road. Poor exposures provided four samples with around 7.5% Fe and 1% Ti.

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SAMPLE	Ti		Fe	
	PPM	%	PPM	%
PUC012001	4323	0.4323	29798	2.98
PUC013001	15748	1.5748	97038	9.7038
PUC013002	7800	0.78	65403	6.5403
PUC013003	5643	0.5643	65130	6.513
Mean		0.97%		7.59%

Conclusions

The overall results show a wide range of variation due most likely to the different modes of deposition and geological age of the various deposits, but include the highest levels of iron (Fe) and titanium (Ti) ever recorded by the Company, for example 26% Fe and 4% Ti from 22 samples at PUC003, with individual sample readings as high as 47%. The fresh exposures with pronounced black magnetic banding, referred to as Young Paleodune Sands in the September 2008 Report, returned an average of 21.4% Fe.

The high metal values bear out previous observations that the older, red/brown, clay-rich sands are generally most prospective because of weathering and liberation of the Titaniferrous iron oxides.

Concession status and drilling plans

Applications to convert all of the Putú concessions from exploration to exploitation status are well advanced. Once granted, and the suitable drilling contractor is secured, deeper drilling will provide an indication of the degree of surface enrichment by weathering and removal of lighter material by heavy rainfall and surface runoff.

The geology of Trinchera is relatively uniform, so a drilling programme should allow the resources to be calculated to a given depth or to basement over most of the prospect area. Katy, on the other hand, shows great geological variability and a large range in metal values. Future drilling at Katy will therefore need to be designed to characterize individual geological units such as Younger Paleodune Sands and several distinct Older Paleodune Sands.

Katy is therefore likely to be divided into several sub-areas based on the size, geological character and anticipated grades. The “blowout” sands of the Younger Paleodunes may be one area that is selected for drilling and appraisal. Other examples may be portions of Katy Older Paleodune Sands that have encouraging metal contents based on this preliminary work, and are sufficiently thick and accessible via one of the few larger roads.

Where the depth to basement is difficult to estimate it may be necessary to conduct geophysical surveys at Katy such as electrical resistivity traverses.

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Aguas Claras

An updated resource estimate prepared by Geovectra S.A. for Shoreline Minerals was announced on 13th March, comprising 1.47 billion tonnes (3.84% Fe and 0.82% Ti) measured and 0.315 billion tonnes (3.75% Fe and 0.84% Ti) indicated.

Ecuador

Further to the report released to the ASX on 4th March announcing that the Company's exploration concessions in Ecuador had been terminated, along with the exploration-stage concessions of other companies, the Chairman/Managing Director Franco Belli commenced a 6-week visit to Ecuador on 10th March 2009 to seek clarification on several issues.

Mr Belli has met with a number of senior government officials to gain a better understanding of the status of the revoked concessions, and the procedures required for re-application. These meetings provided encouragement and clarified procedures under the new legislation.

In a move to reduce expenses the Company is in the process of relocating its administrative office back to Quito, and has reduced and redeployed staff. The Company has also cut costs significantly by shifting the operations office back to Esmeraldas. As previously reported, the Director of Operations William Kluckow resigned on 24th March, and Mr Kenneth Lee, Chief Financial Officer, was appointed Executive Director. A new management and reporting structure has been put in place. Two senior technical experts have been interviewed to fill key management roles.

Forthcoming Activities

- **Work relating to the conditional agreement with Astron will continue.**
- **The Company is focussing its efforts on reinstating its onshore exploration rights in Ecuador.**
- **Discussions with Ecuadorian government entities relating to dredging and processing iron sands from estuaries are continuing.**
- **The metallurgical test facility will be erected at Esmeraldas to process existing stockpiles of sand.**
- **In Chile, once the conversion of Putú concessions to exploitation status is granted, the Company proposes to conduct a deep drilling programme at Trinchera Prospect.**

Competent Person

The information in this report that relates to Exploration Results and Mineral Resources have been reviewed and verified by Mr Peter Hinner, who is a Member of The Australasian Institute of Mining & Metallurgy. Mr. Hinner is a Consultant to South American Iron & Steel Corporation Ltd. Mr. Hinner has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is



undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Hinner consents to the inclusion in this report of the matters based on his information in the form and context in which it appears

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